

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

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March 23, 2004

FROM: MARCEL TURNER, Director
Human Resources

SUBJECT: REQUEST FOR PROPOSALS FOR FIDUCIARY LIABILITY AND WATERCRAFT
LIABILITY INSURANCE

RECOMMENDATION: Approve request for proposals (RFP) for fiduciary liability insurance and watercraft liability insurance and authorize the Human Resources Department to issue the RFP.

BACKGROUND INFORMATION: Since 1978, the County has self-insured and self-administered its public liability program. Since that time, the Board has approved the purchase of specialized insurance for unique exposures including fiduciary liability and watercraft liability.

Fiduciary liability: The County's current policy expires on July 1, 2004. Several committees, commissions, and county employees have been appointed to oversee the County's investments and the 401(k), deferred compensation, and health insurance plans. The committees are comprised of both County employees and non-County members. Their fiduciary responsibilities and oversight require fiduciary liability insurance to transfer risk from the County to an insurance carrier. Fiduciary liability insurance covers the committee and commission members and County employees responsible for the investment control or disposition of the plan assets.

Watercraft liability: The County's current policy expires on July 1, 2004. Historically, the County's marine fleet consisted of a few small power patrol boats on the Colorado River and various recreational boats as well as patrol and fire suppression boats on County lakes. Increasingly, the need for powerful law enforcement vessels on the Colorado River has become a necessity. Currently, the County's marine fleet to be insured consists of 24 vessels, which have a range in value of up to \$60,000 each.

Pursuant to County policy 11-05, departments are required to obtain Board approval of an RFP for contracts in excess of \$75,000. Approval of the RFP and its issuance will facilitate the uninterrupted continuance of fiduciary liability and watercraft liability coverage. A recommendation to purchase a three-year policy for this coverage will be presented to the Board in June 2004. The RFP will be sent to eighteen brokers (six local). The RFP and broker list are on file with the Clerk of the Board.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by Purchasing (Betty Alexander, Contracts Analyst, 387-2509) on March 4, 2004; County Counsel (Chief Deputy County Counsel, Michael Sachs) on March 9, 2004; and the County Administrative Office (Daniel R. Kopp, Administrative Analyst, 387-3828) on March 15, 2004.

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FINANCIAL IMPACT: Issuance of the RFP will not result in additional cost. Upon review of the RFP responses, recommendations and the financial impact will be presented to the Board. Premiums will continue to be paid from Risk Management's other general liability sub fund (IAQ RMG), which is funded via Board-approved rates charged to its customers.

SUPERVISORIAL DISTRICTS: All

PRESENTER: Pamela H. Thompson, Risk Manager, 386-8620

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